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By: **Senator Giannetti**

Introduced and read first time: January 31, 2003

Assigned to: Judicial Proceedings

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Ground Rents - Reimbursement for Expenses**

3 FOR the purpose of providing that a holder of a ground rent is entitled to  
4 reimbursement for certain expenses not exceeding a certain amount incurred in  
5 collecting a certain past due ground rent and complying with certain notice  
6 requirements; providing that a certain plaintiff or holder of a ground rent is  
7 entitled to reimbursement for certain reasonable expenses incurred in the  
8 preparation and filing of a certain action for ejectment; defining a certain term;  
9 providing for the application of this Act; and generally relating to ground rents.

10 BY renumbering

11 Article - Real Property  
12 Section 8-402.3  
13 to be Section 8-402.4  
14 Annotated Code of Maryland  
15 (1996 Replacement Volume and 2002 Supplement)

16 BY adding to

17 Article - Real Property  
18 Section 8-402.3  
19 Annotated Code of Maryland  
20 (1996 Replacement Volume and 2002 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That Section(s) 8-402.3 of Article - Real Property of the Annotated  
23 Code of Maryland be renumbered to be Section(s) 8-402.4.

24 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
25 read as follows:

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**Article - Real Property**

2 8-402.3.

3 (A) IN THIS SECTION, "GROUND RENT" MEANS A RESIDENTIAL LEASE OR  
4 SUBLEASE IN EFFECT ON OR AFTER JULY 1, 2003, THAT HAS AN INITIAL TERM OF 99  
5 YEARS RENEWABLE FOREVER AND CREATES A LEASEHOLD ESTATE SUBJECT TO THE  
6 PAYMENT OF AN ANNUAL LEASE AMOUNT.

7 (B) (1) A HOLDER OF A GROUND RENT THAT IS AT LEAST 6 MONTHS IN  
8 ARREARS IS ENTITLED TO REIMBURSEMENT FOR EXPENSES NOT EXCEEDING \$500  
9 INCURRED IN THE COLLECTION OF THAT PAST DUE GROUND RENT AND IN  
10 COMPLYING WITH THE NOTICE REQUIREMENTS UNDER § 8-402.2(A) OF THIS  
11 SUBTITLE, INCLUDING:

12 (I) TITLE ABSTRACT AND EXAMINATION FEES;

13 (II) JUDGMENT REPORT FEES;

14 (III) PHOTOCOPYING AND POSTAGE FEES; AND

15 (IV) ATTORNEY'S FEES.

16 (2) UPON FILING AN ACTION FOR EJECTMENT UNDER § 8-402.2 OF THIS  
17 SUBTITLE, THE PLAINTIFF OR HOLDER OF A GROUND RENT IS ENTITLED TO  
18 REIMBURSEMENT FOR REASONABLE EXPENSES INCURRED IN THE PREPARATION  
19 AND FILING OF THE EJECTMENT ACTION, INCLUDING:

20 (I) FILING FEES AND COURT COSTS;

21 (II) EXPENSES INCURRED IN THE SERVICE OF PROCESS;

22 (III) TITLE ABSTRACT AND EXAMINATION FEES NOT INCLUDED  
23 UNDER PARAGRAPH (1) OF THIS SUBSECTION;

24 (IV) ATTORNEY'S FEES NOT EXCEEDING \$1,000, UNLESS THE COURT  
25 APPROVES A GREATER AMOUNT; AND

26 (V) TAXES, INCLUDING INTEREST AND PENALTIES, THAT HAVE  
27 BEEN PAID BY THE PLAINTIFF OR HOLDER OF A GROUND RENT.

28 (C) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION OR IN §  
29 8-402.2(C) OF THIS SUBTITLE, THE PLAINTIFF OR HOLDER OF A GROUND RENT IS NOT  
30 ENTITLED TO REIMBURSEMENT FOR ANY OTHER EXPENSES INCURRED IN THE  
31 COLLECTION OF A GROUND RENT.

32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall be  
33 construed to apply only prospectively and may not be applied or interpreted to have  
34 any effect on or application to any suit, action, or proceeding before the effective date  
35 of this Act.

1 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 2003.